

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY ABU DHABI

USINT BAGHDAD

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

INFO AMCONSUL DHAHRAN

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E.O. 11652: N/A

TAGS: BEXP, XF

SUBJECT: OPPORTUNITIES FOR INSTITUTIONAL FOOD BUSINESSES:
SCHOOL LUNCH PROGRAMS

REF: (A) 75 USDOC 5250; (B) 75 JIDDA 2617; (C) 75 STATE
20720; (D) 75 JIDDA 6674

1. OVER PAST YEAR CAGNE HAS RECEIVED AT LEAST THREE
INQUIRIES REGARDING SCHOOL LUNCH PROGRAMS FROM EQUIPMENT
MANUFACTURERS AND SERVICE CONTRACTORS. THE MOST RECENT
INSTANCE (PARA 2) INDICATES THAT CONSIDERABLE OPPORTUNITY
EXISTED IN SAUDI ARABIA. CAGNE FEELS THAT THIS MAY BE A
WORTHWHILE AREA FOR INVOLVEMENT OF U.S. BUSINESS AND
WELCOMES COMMENTS FROM ADDRESSEES.

2. ANTHONY M. MIDIS, MORTON FROZEN FOODS DIVISION, ITT
CONTINENTAL BAKING COMPANY, CHARLOTTESVILLE,
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VIRGINIA HAS REQUESTED ADDITIONAL INFORMATION ON THE

CONTRACT AWARDED BY SAUDI MINISTRY OF COMMERCE TO NESTLE OF SWITZERLAND AND WAGON LITS OF FRANCE. CAGNE INFORMED THAT NESTLE AND WAGON LITS HAVE FORMED JOINT VENTURE WITH SIXTY PERCENT OF CAPITAL HELD BY SAG. LUNCH PROGRAM IS TO INCLUDE MANUFACTURE OF FOOD AND WILL BE APPLIED INITIALLY IN 1977 IN RIYADH SERVING 100,000 PUPILS, LATER EXPANDING

IN SIZE TO 600,000 PUPILS. MORTON FROZEN FOOD DIVISION IS LEADING U.S. FIRM IN THIS AREA ACCORDING TO MIDIS AND SEEKS DETAILS FOR POSSIBLE PENETRATION AREA MARKETS.

3. JIDDA ACTION: REFTELS REPORTED ON PROSPECTS IN THIS FIELD DURING 1975. IN LIGHT OF ABOVE REQUEST REVIEW OF SITUATION. POINTS YOU MAY WISH TO COVER ARE: HAS NESTLE/ WAGON LITS CORNERED MARKET OR IS THERE ROOM FOR COMPETITION? CAN EMBASSY RECOMMEND PROPER MINISTRIES AND SAG REPRESENTATIVES FOR MIDIS TO APPROACH WITH PROPOSALS? CAN EMBASSY FURTHER IDENTIFY SAUDI PRIVATE FIRMS MENTIONED REFTEL (D)? ARE THERE OTHERS IN THIS FIELD?

4. ACTION FOR ALL POSTS: SINCE SCHOOL LUNCH PROGRAM OF MAGNITUDE CITED PARA 2 REPRESENTS 18 MILLION DOLLARS PER YEAR (100,000 PUPILS/180 SCHOOL DAYS/ESTIMATED 1 DOLLAR PER LUNCH) IN SALES ALONE REQUEST INFORMATION ON POSSIBILITIES IN SCHOOL LUNCH AREA. IF POTENTIAL INDICATED COMMERCE WOULD FIND USEFUL INFORMATION COVERING THE FOLLOWING POINTS.

- (A) ARE SCHOOL LUNCH PROGRAMS CURRENTLY IN OPERATION?
- (B) IF SO, ARE THEY SUFFICIENT TO MEET REQUIREMENTS?
 - ANY PLANS TO EXPAND?
- (C) IF NOT, ARE ANY PLANNED? SIZE?
- (D) WHICH MINISTRY OR OFFICIAL IS RESPONSIBLE FOR EXISTING
 - PROGRAM OR WHO WOULD PLAN SUCH A PROGRAM?
- (E) DO ANY PRIVATE FIRMS OPERATE IN INSTITUTIONAL FOOD
 - BUSINESS? WHO?
- (F) COMMENTS AND RECOMMENDATIONS. KISSINGER

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